GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3015
ANSWERED ON:06.12.2007
PRICE PREFERENCE TO DOMESTIC POWER EQUIPMENT MANUFACTURING COMPANIES
Veerendra Kumar Shri M.P.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government proposes to allow price preference to domestic power equipment manufacturing companies in procurement of equipments;

(b) if so, the details and the reasons therefor;

(c) whether the Government has decided to withdraw the price preference concession; and

(d) if so, the details and the reasons therefor?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) & (b) : As per the present mega power policy of the Ministry of Power, the import of capital equipment is free of customs duty for the mega power projects. In order to ensure that domestic bidders are not adversely affected, price preference of 15% is given for the projects under public sector, while deemed export benefits as per the EXIM policy are given to domestic bidders for projects both under public and private sector. The domestic bidders are allowed to quote in US Dollars or any other foreign currency of their choice.

(c) & (d) : No Sir. However, a proposal to modify the existing mega power policy is under consideration of the Ministry of Power.